

**TAX INCREMENT FINANCING
TEN (10) YEAR STATUS REPORT
2008-2018**

**North Main Street TIF
Redevelopment Area
Designated March 4, 2008**



March 8, 2019

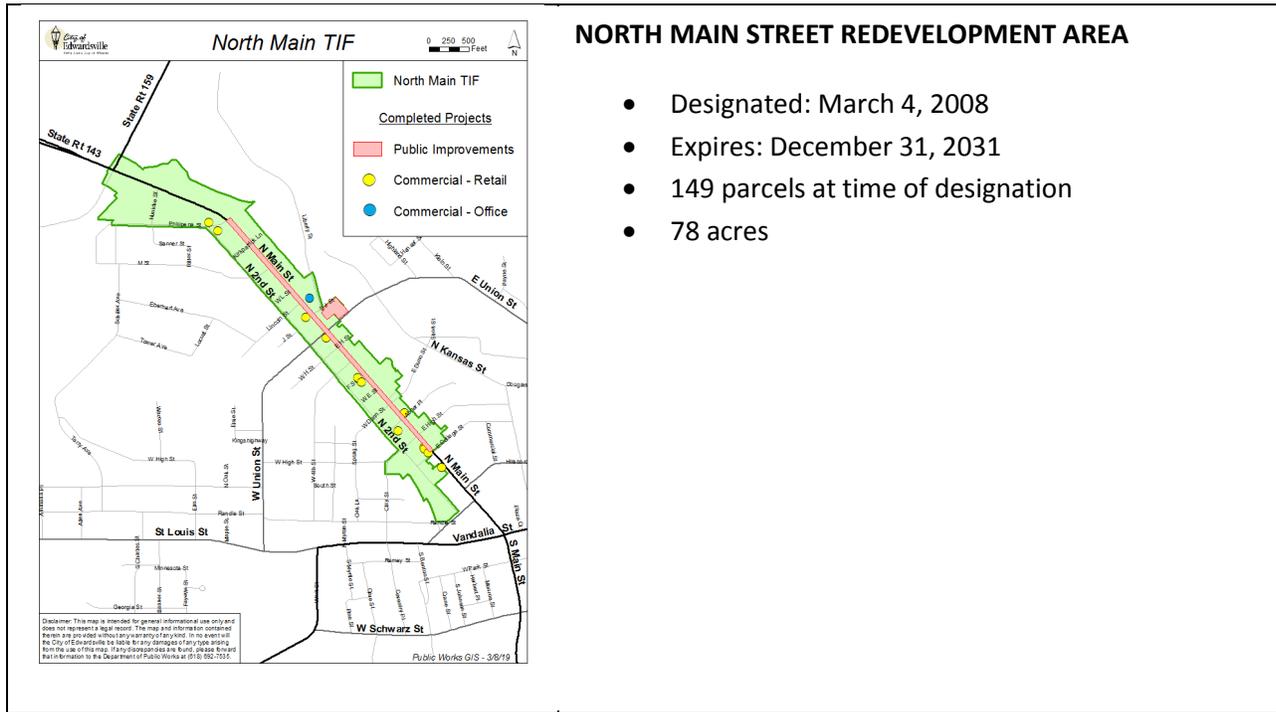
Pursuant to 65 ILCS 5/11-74.4-5

**Prepared by
City of Edwardsville**

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Executive Summary



The North Main Street Redevelopment Project area was designated to ameliorate the condition of the Redevelopment Project Area and to stimulate private investment. This area was found to contain conditions that qualify it as a conservation area. Funds from the North Main Street Redevelopment Project area are intended to pay for the relocation of overhead utilities, extend the downtown streetscape program that includes installation and or replacement of sidewalks and curbs, replacement and/or upgrade of deteriorated and aged water mains, sanitary sewer mains, storm water system, and road improvements.

North Main Street Redevelopment Area Activity 2008 – 2018

Investment Summary

- \$4,104,288 in TIF Funds allocated for infrastructure improvements

Property Value

- Equalized Assessed Value increased 18.65%

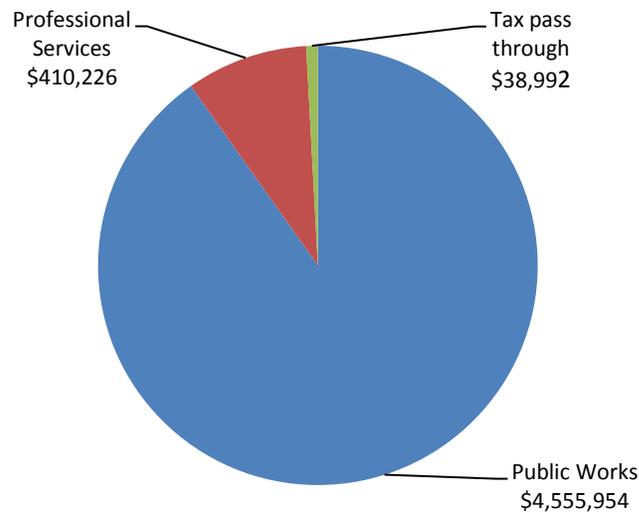
Development

- New Investment \$ 8,322,169
- 166 Projects

Job Creation

- Construction Jobs – Estimated 64 one-year full-time equivalent (“FTE”) construction jobs created
- Private Jobs – Estimated 15 full-time equivalent (“FTE”) permanent jobs

DISTRIBUTION OF TIF-ELIGIBLE EXPENDITURES THROUGH 2018



1. Redevelopment Project Area Information

In July 2010, the Tax Increment Financing (“TIF”) Allocation Redevelopment Act 65 ILCS 5/11-74.4-5, et seq. (“TIF Act”) was amended to require municipalities to assemble a status report covering the history and performance of TIF districts that have been in existence for 9 to 10 years. The Act requires the report to detail:

1. The amount of revenue generated within the district;
2. Expenditures made for the Redevelopment Project Area (“RPA”), including TIF fund expenditures;
3. Status of planned activities, goals and objectives, including new and planned construction;
4. The amount of public and private investment within the TIF district; and
5. Other relevant evaluation or performance data.

The information summarized herein is for the reporting period from the TIF district’s inception through the end of the 2018 calendar year and the 2017 tax year. For informational purposes, certain other supplementary information, such as upcoming planned projects, is reported as of December 2018.

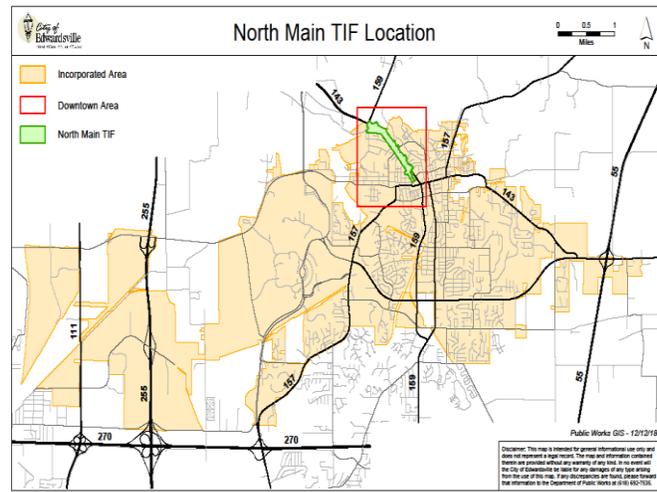
Detailed data on the North Main Street Redevelopment Area was compiled to meet reporting requirements under the TIF Act and is presented in this Ten (10) Year Status Report (the “Report”). The Report contains various data from City of Edwardsville (“City”) departments, including audited financial statements, Redevelopment Agreements, Intergovernmental Agreements, capital improvement expenditures, and TIF-funded program to track financial and programmatic performance. Data sources are referenced throughout this Report.

Project Area Context and Background

At the time of its creation/adoption the RPA encompassed 148 parcels of developed property, right-of-way, and undeveloped property in the downtown area of the City of Edwardsville. Generally, the Area runs north and south along a line defined by North Main Street and Second Street, with the southern boundary being St. Louis St., East College St., and the northern end extending to Old Alton Edwardsville Road. The western edge is defined by Second Street and Phillipena, and the eastern portion runs parallel to Main St. The North Main Street TIF boundary map is shown in **Exhibit 1** on the following page (Green Shaded Area).

The RPA was designated as a TIF district on March 4, 2008, and is expected to expire no later than December 31, 2031. There have been no major or minor amendments to the North Main Street Redevelopment Area Tax Increment Financing Redevelopment Area Project and Plan as of December 31, 2018.

Exhibit 1. The North Main Street TIF



Conditions at Time of TIF Creation

The RPA was determined to be eligible for TIF designation as a “conservation area” under the TIF Act. The number of buildings that were 35 years or older exceeded the statutory threshold of 50%, the prerequisite for a conservation area. The Area contained a relatively high incidence of four additional qualifying factors, which caused it to qualify as a conservation area. These qualifying factors were present to a meaningful extent and distributed evenly throughout the RPA.

- Age-83% of the buildings were over 35 years of age
- Deterioration-85% of the parcels and 67% of the buildings exhibited deterioration
- Inadequate Utilities-100% of the Area suffered from inadequate utilities
- Lack of Community Planning-The entire Area (100%) was affected by a lack of community planning
- Low EAV Growth-The area had not grown at the same rate as the remainder of the City for three of the last five years

Goals and Objectives for the North Main Tax Increment Financing District (TIF4)

The North Main Tax Increment Financing District (TIF4) was designated to ameliorate the conditions of the Redevelopment Project Area and to stimulate private investment. The area as a whole has not been subject to economic growth and will not likely develop without the implementation of a tax increment financing program.

The following five objectives were outlined in the TIF plan:

1. Reduce or eliminate those conditions that qualify the Redevelopment Area as eligible for tax increment financing;
2. Prevent the recurrence of those qualifying conditions which exist within the Area;
3. Enhance the real estate tax base for the City of Edwardsville and all other taxing districts which extend into the Redevelopment Project Area;
4. Encourage and assist private development within the Redevelopment Project Area through the provision of financial assistance for new development as permitted by the Act. This will provide for expanded employment opportunities that will strengthen the economic base of the City and surrounding areas;
5. Complete all public and private actions required in this Redevelopment Plan in an expeditious manner so as to maximize TIF opportunities.

Estimated Redevelopment Project Cost and Allocations

The estimated Redevelopment Project Cost outlined in the North Main Street TIF plan totals \$9.6 million. Through 2018, \$4,594,043 has been expended on TIF-supported projects within the North Main Street RPA, representing 48% percent of estimated total Redevelopment Project Cost. **Exhibit 2** on the following page displays the estimated eligible cost of the TIF plan and the expenditures through 2018 by statutory cost category.

Exhibit 2. Total TIF-Eligible Project Cost and Expenditure through 2018

Permissible Cost Category	Eligible Cost Description	Estimated Project Cost	Project Costs Expended Through 2018	
			Expenditures	Percent of Estimate
1. Professional Services	Cost of Studies, surveys, administration and professional services	\$250,000	\$410,226	164%
2. Relocation of overhead utilities	Cost associated with the relocation of overhead utilities	\$1,750,000	\$1,075,079	39%
3. Extension of Streetscape Program	Cost of installation and or replacement of sidewalks, curbs and related projects	\$1,600,000	\$2,198,107	127%
4. Water mains, sanitary sewer mains and storm water system	Costs associated with replacement and/or upgrade of deteriorated and aged water mains, sanitary sewer mains and storm water system	\$2,540,000	\$1,282,768	49%
5. Road Improvements	Cost associated with road improvements	\$2,000,000	\$0	0%
6. Building rehabilitation and façade grant program	Cost associated with building rehabilitation and façade grant program	\$500,000	\$40,537	6.1%
7. Actual Distributions Taxing Districts	The City passes through ten percent (10%) of the incremental revenues generated by the project.	\$960,000	\$38,992	4%
Total Redevelopment Project Costs		\$9,600,000	\$5,045,709	47%

Source: City of Edwardsville Incode System database

2. Redevelopment Project Area and Expenditures

This chapter provides information on the incremental property tax revenue generated and associated expenditures within the RPA from its inception through December 31, 2018. A summary of non-TIF City funds expended in support of projects through the 2018 calendar year is also presented.

Growth in EAV and Revenue Generated within the North Main Street Project Area

Incremental property tax revenues are generated based on the growth in equalized assessed value (EAV) that arises during the TIF district’s existence, as compared to the initial EAV at the time of the TIF’s original adoption. The RPA initial EAV as of March 4, 2008 was \$5,040,766.¹

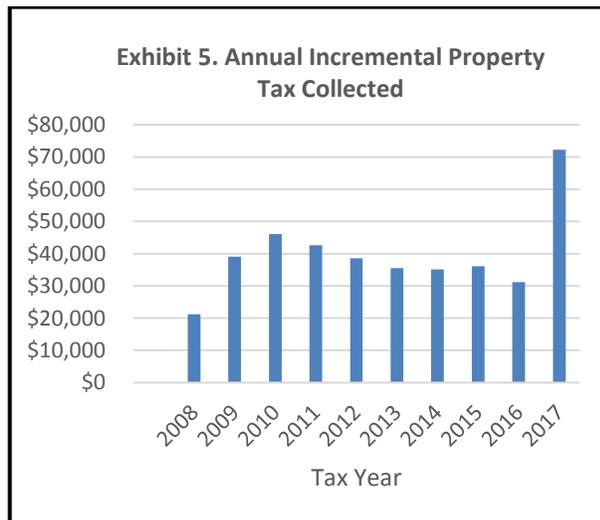
As of December 31, 2018, the total taxable EAV (for tax year 2017) of the North Main Street Project Area was \$5,980,950, representing growth in property value of 18.65% from the initial EAV.²

Exhibit 3. Growth in EAV: Tax Year 2008-2017

Tax Year	EAV	% Increase from Initial EAV
2008 – Initial EAV ¹	\$5,040,766	--
2017 – Current EAV	\$5,980,950	18.65%

This growth in EAV in the North Main Street Project Area generated a total of \$397,634 in incremental property tax revenue from 2008 through the end of 2017 as displayed in **Exhibit 4 and 5** below. Property tax is collected in the year after taxes are levied, therefore these exhibits cover the period through tax year 2017, for which property taxes were collected in calendar year 2018.

Exhibit 4. Incremental Property Tax Revenue Collected, 2008 - 2017	
Tax Year	Incremental Property Tax Collected
2008	\$21,170
2009	\$39,044
2010	\$46,048
2011	\$42,639
2012	\$38,580
2013	\$35,535
2014	\$35,086
2015	\$36,128
2016	\$31,169
2017	\$72,235
TOTAL INCREMENTAL PROPERTY TAX COLLECTED, 2008-2017	\$397,634



¹ Office of the Edwardsville City Clerk, Final Tax Computation Report, Tax year 2017. Initial EAV is from tax year 2008, the most recent EAV available at the time of designation.

² Madison County Final Tax Computation Report, Tax year 2017

Transfer of TIF Funds

Funds were transferred from TIF #2, an adjacent TIF district, into the North Main Street TIF (TIF #4) in the amount of \$3,966,666 through December 31, 2018.³

City Expenditures within the North Main Street Project Area

From 2008 to 2018, \$4,594,043 in incremental property tax revenue was expended in support of projects within the North Main Street TIF. Expenditures of TIF revenue over this period are presented in Exhibit 2 (see page 6) by TIF-eligible cost categories outlined in the TIF Act.

The City has allocated and expended additional non-TIF resources in support of the TIF-funded projects within the RPA. This investment includes funds for the resurfacing of N. Main Street. This additional non-TIF investment made between 2008 and 2018 totaled \$490,659 and is displayed in **Exhibit 6** below.

Exhibit 6. Non-TIF City Investment in TIF-Supported Project, 2008 – 2018

Source of Funds	Use of Funds	Allocation
Illinois Transportation Enhancement Program (ITEP)	Road resurfacing	\$490,659
Total Non-TIF City Allocations on TIF-Supported Projects		\$490,659

Source: City of Edwardsville Incode System database

Declaration of Surplus Funds

No funds in the North Main Street tax allocation fund have been declared surplus through December 31, 2018.

³ Source: City of Edwardsville Incode System Database

3. Redevelopment Project Area Accomplishments

This chapter provides information on the status of TIF project activity, goals and objectives outlined in the TIF Plan. Detailed information on TIF-supported projects within the RPA is provided, followed by a discussion of additional performance metrics relevant to the TIF district.

North Main Street Redevelopment Area Project Profiles – Major Accomplishments

Project profiles for TIF-supported projects within the RPA that are underway or have been completed, as of December 31, 2018, are provided in **Exhibits 8 through 12** (see pages 10 – 11).

Key project information presented includes TIF investment (to date and expected), public-to-private investment ratio, and additional community impacts resulting from or expected to result from these projects. The tables include projects receiving TIF investment through City Façade Grant Program. Projects that have been allocated TIF funds, but for which no TIF expenditures have occurred, are presented in **Exhibit 13** in the section on planned projects (see page 13). TIF investments made via Redevelopment Agreements within the RPA, as reported in Exhibits 8 and 9, are displayed in Exhibit 7 below.

Exhibit 7. TIF-Funded Project Map

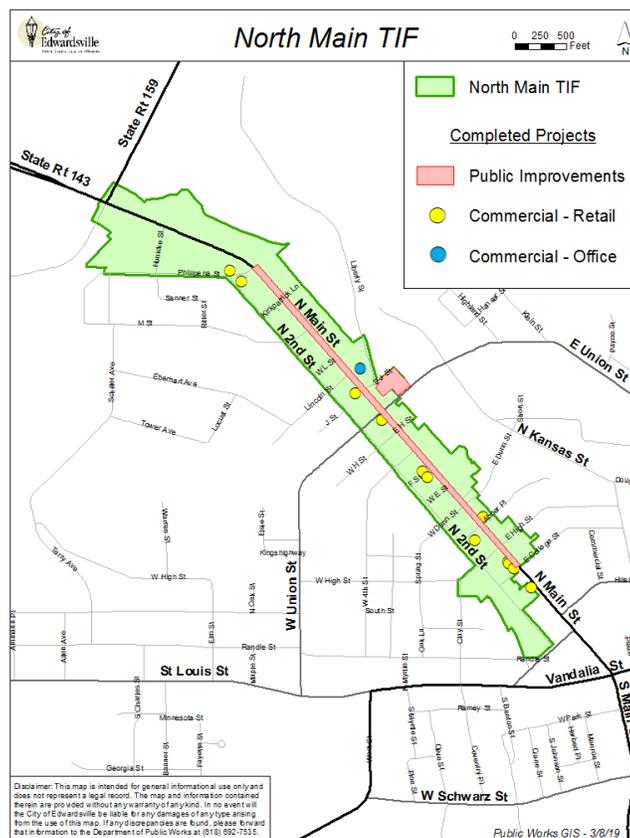


Exhibit 8. Redevelopment Agreement Projects**No Redevelopment Agreement Projects have received TIF funding through December 31, 2018**

Source: City's Incode database, TIF Annual Reports

Exhibit 9. Redevelopment Agreement Projects: Community Impacts**No Redevelopment Agreement Projects have received TIF funding through December 31, 2018**

Source: City's Incode database, TIF Annual Reports

Exhibit 10. Intergovernmental Agreements Projects**No Intergovernmental Agreements Projects have received TIF funding through December 31, 2018**

Source: City's Incode database, TIF Annual Reports

Exhibit 11. TIF Funded Programs (Façade Grant Program)

Map ID	Project	Status	Total Project Cost	TIF Funding Approved	Total Non-TIF Investment Actuals	Other City-Controlled Sources (2) Source Funding Amount	Ratio TIF to Non-TIF Invest
CR	1801 N. Main	Completed	\$56,630	\$13,787	\$42,842	n/a	24.3%
CR	303 N. Main	Completed	\$154,000	\$15,000	\$139,000	n/a	9.7%
CR	415 N. Main	Completed	\$7,000	\$1,750	\$5,250	n/a	25%
CR	500 N. Main	Completed	\$27,750	\$10,000	\$17,750	n/a	36%
CR	309 N. Main	Active	\$60,000	\$10,000	\$50,000	n/a	16.6%
CR	231 N. Main	Active	92,500	\$10,000	\$82,500	n/a	10.8%

CR: Commercial Retail**(2):** TIF Annual Report, Incode database**Source:** City's Incode database, TIF Annual Reports

Exhibit 12. Public Infrastructure Projects

Map ID	Project	Project Type	TIF Funding Budget(1)	TIF Investment Through 2018	Other City-Controlled Sources Source Funding Amount	Description/Key Community Impacts
PI	Water Distribution & Sanitary	Public Improvement	\$2,540,000	\$1,180,046	N/A N/A	Installation of water and sanitary sewer lines
PI	Relocation of Overhead utilities	Public Improvement	\$1,750,000	\$1,069,888	N/A N/A	Electric, phone and CATV
PI	Streetscape	Public Improvement	\$1,600,000	\$1,854,354	N/A N/A	Installation of lighting, sidewalks, and curbs
Total			\$5,890,000	\$4,104,288		

(1) Incode database, City of Edwardsville expenditures data

PI: Public Improvements on **Exhibit 7**

Additional Performance Metrics

Additional performance metrics associated with the RPA, including construction and permanent job creation, and change in equalized assessed value over time, is presented below.

CONSTRUCTION JOB CREATION

64 full-time equivalent construction jobs

Temporary construction employment associated with the Redevelopment Project Area was attributed to: relocation of overhead utilities, extension of streetscape, water/sewer/sanitary system improvement and road improvements. These improvements required 11,398.5 work hours. Based on actual time sheets, 64 full-time equivalent (“FTE”) construction jobs were created between 2008 and 2018.

PERMANENT JOB CREATION

15 full-time equivalent permanent jobs

Permanent job creation associated with private, non-residential TIF-supported projects were observed to have hired 15 full-time equivalent permanent jobs.

The following private entities created the following permanent jobs:

Private entity	Number of Jobs
• Mannie Jackson Center for the Humanities and STEM Center	7
• Gingham Buffalo	4
• Where they Roam	<u>4</u>
	Totals 15

CHANGE IN EQUALIZED ASSESSED VALUE (EAV)

A comparison of the change in equalized assessed value over time in the North Main Street Project Area to larger geographies is one indication of the relative growth in property values in the TIF. Growth in property values from the creation of the North Main Street TIF is one metric of the relative economic health of the TIF. Property values within the North Main Street TIF have grown at a compound annual growth rate of 1.87% from tax year 2008 to tax year 2017, while EAV for the City of Edwardsville has grown at a compound annual growth rate of 2.3%.

Status of Planned Activities, Goals and Objectives

Exhibit 13. Planned Projects

Map ID	Project	Project Type	TIF Funding Allocated	Planned Investment	Other City-Controlled Sources Source Funding Amount	Description/Key Community Impacts
CO	400 N. Main	Commercial Office	Unknown	\$16,000,000		1,3,4
CR	1201 N. Main	Commercial Retail	Unknown	\$4,000,000		1,3,4

CO: Commercial Office

CR: Commercial Retail

Progress towards Achieving Goals and Objectives

The TIF Act requires that progress toward achieving goals and objectives outlined in the TIF Plan be addressed in the Report. **Exhibit 14** below presents a summary of the relevant projects and their progress in addressing the goals and objectives outlined in the TIF Plan through 2018.

Exhibit 14. Progress towards Achieving Goals and Objectives

Map ID	Project	Relevant Goals and Objectives Addressed
CR ●	1801 N Main	1,3,4
CR ●	301 N. Main	1,3,4
CR ●	415 N. Main	1,3,4
CR ●	500 N Main	1,3,4
CR ●	715 N Main	1,3,4
CR ●	801 N Main	1,3,4
CO ●	1210 N Main	1,3,4
CR ●	1725 N Main	1,3,4
CR ●	1013 N Main	1,3,4
CR ●	1201 N Main	1,3,4
CR ●	231 N Main	1,3,4
CR ●	309 N Main	1,3,4
CR ●	307 N Main	1,3,4